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## Guide to Gift Cards and Certificates

A gift card or certificate is a way to give value – not a specific item – to the gift recipient, who can redeem it as he or she chooses.

### Massachusetts Gift Certificate Law

Under Massachusetts law, a gift certificate or a merchant credit slip (given for returned merchandise) must be redeemable for a minimum of seven years from its date of issuance ([M.G.L. c. 93, s. 14S](#)). The seller must clearly indicate the date of issuance and expiration date on either the face of the certificate, or, if it is an electronic card with a banked dollar value, on the sales receipt, or by means of an Internet site or a toll-free number ([M.G.L. c. 200A, s. 5D](#)). If the expiration date is not made available by these means, the gift certificate/card is to be redeemable in perpetuity.

This law is effective as of April 1, 2003. Gift certificates issued but not yet redeemed as of this date are also to be good for seven years from the date they were issued. Once a gift certificate has been redeemed for 90% of its value or more, the consumer may elect to receive the balance of the remaining value in cash.

**Note:** The term “gift certificate” does not apply to pre-paid phone cards ([M.G.L. c. 155D, s. 1](#)).

### Gift Cards

Inspect gift cards before buying. Verify that none of the protective stickers have been removed. Also make certain that the codes on the back of the card have not been scratched off to reveal a PIN number. Report tampered cards to the store selling the cards.

Gift cards may look like credit or debit cards, but they are not. Even if a gift card carries a Visa or Mastercard logo, the card is not a credit or debit card and does not automatically come with the same protections if it is lost or stolen.

### Using the Card or Certificate

Some gift cards or certificates can be used only at the retailer’s store locations; others can be used at any retailer and online. Some large corporations own chains of different stores, and often their gift cards/certificates can be used at all chains (for example, Gap, Inc., sells gift cards that may be used to purchase merchandise from Gap, Banana Republic, Old Navy, and Piperlime). Read the fine print and make sure you understand the terms and conditions before you buy.

If you are the recipient of a gift card or certificate, make sure that you have the card's terms and conditions, the original purchase receipt, or the gift card's ID number. If they weren't given along with the card/certificate, ask for them from the person who gave you the gift, and then keep them in a safe place.

## **Expiration Dates**

Some gift cards have expiration dates; others let the user "reload" or add money to the balance on the card. Information about expiration dates and fees may appear on the card/certificate itself, on the accompanying sleeve or envelope, or on the issuer's website. If you don't see it, ask. If the information is separate from the gift, give it to the recipient with the gift to help protect the value of the card/certificate.

Under Massachusetts law, a gift certificate or a merchant credit slip (given for returned merchandise) must be redeemable for a minimum of seven years from its date of issuance. However, Federal law, allowing for the deduction of fees from gift cards and other stored value cards issued by a national bank or thrift, may allow cards to terminate in a shorter period of time – in some cases in as little as eighteen months.

If your card or certificate expires before you've had a chance to use it or exhaust its value, contact the issuer. The issuer may extend the date, although it may charge a fee to do so. Some issuers have stopped charging inactivity fees or imposing expiration dates, so it pays to check with the issuer to make sure you've got the most up-to-date information.

## **Fees**

Some gift cards or certificates may have fees, such as: activation fees; transaction fees (either for all transactions, for a high number of transactions, or for certain types of transactions); monthly maintenance fees; replacement fees for lost or stolen cards/certificates; balance inquiry fees; fees for inactivity (especially for gift cards – if the card holder has not used the card over a long period of time, a fee might be deducted from the balance each month); or shipping and handling fees if the card or certificate is purchased online or by phone. Some fees may be paid in cash, but others are simply deducted from the value of the card or certificate. As noted above, if the card is issued by a national bank or thrift, federal regulations allow fees to be charged.

Before buying, consider potential purchase fees, as noted above. Also consider any potential fees for the recipient.

## **For More Information**

If you have a problem with a gift card or certificate, first contact the store or financial institution from which it was issued. If the problem can't be resolved, you may wish to file a complaint, either to see if the matter can be mediated, or to express your objection to the regulating agency.

For more detailed information about retail rights, please visit the Attorney General's Office website, [www.mass.gov/ago](http://www.mass.gov/ago), and view the publication, **The Attorney General's Guide to Retail Rights**. You may also contact the Attorney General's Consumer Complaint and Information hotline at (617) 727-8400.

For cards/certificates issued by retailers:

**Office of the Attorney General**

[www.mass.gov/ago](http://www.mass.gov/ago)

(617) 727-8400 Consumer Complaint and Information Hotline

**Federal Trade Commission**

[www.ftc.gov](http://www.ftc.gov)

1-877-FTC-HELP (382-4357)

For cards issued by national banks:

**Comptroller of the Currency (OCC) Customer Assistance Group**

[customer.assistance@occ.treas.gov](mailto:customer.assistance@occ.treas.gov)

(800) 613-6743

**Office of Thrift Supervision**

[www.ots.treas.gov](http://www.ots.treas.gov)

(202) 906-6000

*Some of the information included in this fact sheet was obtained from the Federal Trade Commission and the Comptroller of the Currency.*